

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

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UNITED STATES OF AMERICA,

Plaintiff,

v.

JIMMY LEE GATES
OSCAR WELLS
LIBERATOR NOCE

Defendants.

INDICTMENT

JUDGE:

CASE NO.

Title 18, United States Code,
Sections 1951 & 1956(h)

The Grand Jury charges:

COUNT 1

(Hobbs Act Conspiracy, 18 U.S.C. § 1951, charging GATES, WELLS and NOCE)

General Allegations

At all times material to the Indictment:

1. Defendant LIBERATOR NOCE owned and operated Libby Construction

Company, Inc. located at 852 East 73rd Street, Cleveland, Ohio and Noce Enterprises, Inc., 36805 Skyline Drive, Willoughby Hills, Ohio (“the Noce companies”). NOCE obtained contracts with the City of Cleveland Water Division for the Noce companies to repair and replace hydrants in the City of Cleveland and its surrounding communities. The Noce companies had a contractual relationship with the Cleveland Water Division beginning in approximately 1980. During the period 2002 through early 2004, the City of Cleveland paid the Noce companies approximately \$3.2 million to repair and replace hydrants under the terms of blanket purchase orders.

2. Norman Gore, not charged herein, was employed by the City of Cleveland Water Division as a Supervisor of the Harvard Yard facility. In that capacity, he had the authority to approve payments of large sums of City funds to numerous contractors with little or no oversight. He also managed the inflows and outflows of Harvard Yard’s \$2 million inventory.

3. Defendant JIMMY GATES was employed as the Assistant Chief of Distribution in charge of hydrant work for the Cleveland Water Division. As Assistant Chief, GATES oversaw the day-to-day maintenance and installation of hydrants. All employees within the hydrant division reported to GATES, including two superintendents and a supervisor, as well as a number of hydrant inspectors, clerical employees and laborers.

4. Defendant OSCAR WELLS was employed as Water Pipe Repair Supervisor at the Cleveland Water Division, where he supervised hydrant repair and replacement contracts, including supervising hydrant inspectors.

5. WELLS scheduled hydrant maintenance and replacement jobs that were assigned to the Noce companies.

6. Gore, GATES and WELLS had the authority to influence the payment of City funds to NOCE and the Noce companies.

7. The operations of the Noce companies affected interstate commerce.

8. The operations of the Water Division of the City of Cleveland, which provided water utility services to Cleveland residents and the surrounding communities, affected interstate commerce.

9. When the Noce companies performed work at a job site, a hydrant inspector from the Water Division was present to monitor the contracting crew to ensure hydrant and valve repairs and installations had been completed according to specifications. Inspectors documented the work completed on work request cards, which they submitted to their supervisor, OSCAR WELLS.

10. OSCAR WELLS was responsible for reviewing the work request cards and comparing them to the invoices prepared by the Noce companies. WELLS met with LIBERATOR NOCE to compare the work request cards to NOCE's paperwork. After WELLS and NOCE agreed about the amount of NOCE's invoice to the Water Division, NOCE generated his final invoice. The invoice was forwarded to another Water Division

employee, who entered information from the invoice into the Water Division's computer system.

11. The final invoice was then sent to GATES for his approval. Once GATES approved the final invoices, he sent them to the warehouse, where Norman Gore signed off on the materials used by NOCE's crew. After the materials were verified, the invoice was sent to the Cleveland Finance Department for payment processing.

MANNER AND MEANS

12. It was part of the conspiracy that beginning in 1990, NOCE and Gore (not charged herein) agreed that NOCE would and did pay cash bribes to Gore. From approximately 1999 through 2003, those bribes totaled approximately \$14,000 per year and were paid in exchange for Gore processing the Noce companies' invoices in a timely manner.

13. It was part of the conspiracy that NOCE and WELLS agreed that, beginning in approximately 2002, NOCE would and did pay WELLS cash bribes in exchange for WELLS approving payment of inflated Noce companies' invoices.

14. It was a further part of the conspiracy that beginning in early 2003, NOCE, GATES and WELLS agreed that NOCE would pay bribes totaling approximately \$40,000 in cash and checks to both WELLS and GATES, which they would split, in exchange for WELLS and GATES approving payment of inflated Noce companies' invoices.

THE CONSPIRACY

15. Beginning in or about 1990 and continuing until in or about early 2004, the

exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, JIMMY LEE GATES, OSCAR WELLS and LIBERATOR NOCE, Defendants herein, Norman Gore, and others known and unknown to the Grand Jury, but not including the Noce companies, did knowingly and willfully conspire with each other to obstruct, delay and affect commerce and the movement of articles and commodities in commerce by extortion, in that Norman Gore, GATES and WELLS, under color of official right, and with the assistance of NOCE, obtained bribes of money and property from the Noce companies, with their consent, in exchange for the promise of Gore, GATES and WELLS to perform official acts in violation of Title 18, United States Code, Sections 1951 and 2.

All in violation of Title 18, United States Code, Section 1951.

COUNT 2

(Hobbs Act Bribery, 18 U.S.C. § 1951 charging GATES, WELLS and NOCE)

The Grand Jury further charges:

1. Paragraphs 1 and 3 through 11 of Count 1 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.
2. From in or about 2000 to in or about early 2004, in the Northern District of Ohio, Eastern Division, Defendants WELLS and GATES, aided and abetted by Defendant NOCE but not by the Noce companies, did knowingly and willfully obstruct, delay and affect commerce and the movement of articles and commodities in commerce by extortion, in that WELLS and GATES, under color of official right, obtained money in

the form of approximately \$40,000 in cash and checks from the Noce companies, with their consent, in exchange for the performance of official acts.

All in violation of Title 18, United States Code, Section 1951.

The Grand Jury further charges:

COUNT 3

(Money Laundering Conspiracy, 18 U.S.C. § 1956(h), charging GATES, WELLS and NOCE)

1. Paragraphs 1 and 3 through 15 of Count 1 and paragraph 2 of Count 2 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

2. From on or about January 1, 2002 to on or about January 4, 2004, in the Northern District of Ohio, Eastern Division, and elsewhere, LIBERATOR NOCE, JIMMY LEE GATES and OSCAR WELLS, the defendants herein, did knowingly and willfully conspire to engage in monetary transactions affecting interstate commerce in criminally derived property of a value greater than \$10,000.00; that is, they agreed to cause the City of Cleveland to withdraw funds from its financial account at Key Bank by issuing 60 checks payable to the Noce companies in amounts over \$10,000 each, and caused said checks to be deposited into the bank accounts of the Noce companies, such property having been derived from a specified unlawful activity, that is, obstructing and affecting commerce under color of official right in violation of Title 18, United States Code, Section 1951 and conspiracy to obstruct and affect commerce under color of official right, in violation of Title 18, United States Code, Section 1951.

All in violation of Title 18, United States Code, Sections 1956(h).

Count 4
(Hobbs Act Bribery, 18 U.S.C. § 1951 charging WELLS)

1. Paragraphs 4 and 8 of Count 1 this Indictment are **re-alleged** and incorporated by reference as if fully set forth herein.

2. Contractor #1 owned a business that in approximately **August 2003** obtained a contract in the form of a blanket purchase order in the **approximate** amount of \$567,000 (excluding materials) with the City of **Cleveland Water Division** to repair and replace hydrants and valves.

3. At all times material herein, the operations of **Contractor #1's business** affected interstate commerce.

4. Defendant WELLS had the authority to **schedule work for Contractor #1**. At various times during the course of the contract, WELLS **withheld work from Contractor #1**.

5. In or about early 2004, in the **Northern District of Ohio, Eastern Division**, Defendant WELLS did knowingly and willfully obstruct, **delay and affect commerce and the movement of articles and commodities in commerce by extortion, in that** WELLS, under color of official right, obtained money in the form of **approximately \$200** in cash from Contractor #1, with his consent, in exchange for the **performance of official acts**.

All in violation of Title 18, United States Code, Section 1951.

Count 5

(Hobbs Act Bribery, 18 U.S.C. § 1951 charging WELLS)

1. Paragraphs 4 and 8 of Count 1 of this Indictment and paragraphs 2 through 4 of Count 2 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

2. In or about mid-2004, in the Northern District of Ohio, Eastern Division, Defendant WELLS did knowingly and willfully obstruct, delay and affect commerce and the movement of articles and commodities in commerce by extortion, in that WELLS, under color of official right, obtained money in the form of approximately \$100 in cash from Contractor #1, with his consent, in exchange for the performance of official acts.

All in violation of Title 18, United States Code, Section 1951.

A TRUE BILL

Original document – Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.

United States v. Jimmy Lee Gates, Oscar Wells, Liberator Noce

A TRUE BILL.

FOREPERSON



GREGORY A. WHITE
UNITED STATES ATTORNEY